DEPARTMENT OF ENVIRONMENT

FISH AND WILDLIFE DEVELOPMENT FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2004

Provincial Auditor Saskatchewan

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SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Fish and Wildlife Development Fund as at March 31, 2004 and the statements of operations, changes in net assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 23, 2004

Fred Wendel, CMA, CA
Provincial Auditor

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2004	2003
ASSETS		
Current assets:		
Due from General Revenue Fund (Note 3)	$ 3,188,725	$ 3,293,492
Accounts receivable (Note 4)	407,571	114,125
	3,596,296	3,407,617
Capital assets (Note 5)	17,033,795	16,797,116
	$ 20,630,091	$ 20,204,733
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 424,899	$ 384,404
Net assets (Statement 3):		
Net assets invested in capital assets	17,033,795	16,797,116
Internally restricted net assets (Note 6)	2,000,000	2,000,000
Unrestricted net assets	1,171,397	1,023,213
	20,205,192	19,820,329
	$ 20,630,091	$ 20,204,733
Commitments (Note 7)		

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2004		2003
	Budget (Note 9)	Actual	Actual
Revenues:			
General Revenue Fund transfer (Note 4)	$ 3,060,000	$ 3,340,391	$ 3,196,978
General Revenue Fund grant (Note 4)	340,000	340,000	—
Field permits and leases	145,000	126,951	156,460
Interest (Note 3)	69,000	95,816	101,827
Other revenue	6,000	136,486	58,155
	3,620,000	4,039,644	3,513,420
Expenses:			
Fish enhancement projects (Schedule 1)	1,562,000	1,542,686	2,137,615
Wildlife habitat projects (Schedule 1)	1,390,000	1,828,482	2,027,599
Grants in lieu of taxes (Note 6)	290,000	283,613	271,151
	3,242,000	3,654,781	4,436,365
Excess of revenues over expenses (expenses over revenues)	$ 378,000	$ 384,863	$ (922,945)

(See accompanying notes to the financial statements)

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Statement 3

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31

	2004				2003
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Total
Balance, beginning of year	$ 16,797,116	$ 2,000,000	$ 1,023,213	$ 19,820,329	$ 20,743,274
Excess of revenues over expenses (expenses over revenues)	(18,607)	—	403,470	384,863	(922,945)
Net investment in capital assets	255,286	—	(255,286)	—	—
Balance, end of year (to Statement 1)	$ 17,033,795	$ 2,000,000	$ 1,171,397	$ 20,205,192	$ 19,820,329

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2004	2003
Cash flows from (used in) operating activities:		
Receipts from General Revenue Fund	$ 3,400,000	$ 3,255,819
Receipts from field permits, leases, and other	175,225	258,127
Interest received	106,239	78,752
Grant payments	(1,309,551)	(1,047,278)
Payments to municipalities	(283,613)	(271,151)
Payments to suppliers and employees	(2,002,515)	(2,877,572)
	85,785	(603,303)
Cash flows from (used in) investing activities:		
Proceeds from disposal of capital assets	113,065	---
Purchase of capital assets	(303,617)	(622,531)
	(190,552)	(622,531)
Net decrease in cash position	(104,767)	(1,225,834)
Due from General Revenue Fund, beginning of year	3,293,492	4,519,326
Due from General Revenue Fund, end of year	$ 3,188,725	$ 3,293,492

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2004

1. Purpose of the Fund

The Fish and Wildlife Development Fund (Fund) operates under the authority of Section 20 of *The Natural Resources Act*. The Fund was established for the purposes of preventing the reduction of wildlife habitat and wildlife population in the agricultural area of the province and for fish enhancement projects intended to prevent the loss of fish or fish habitat. The Department of Environment administers the Fund.

2. Significant Accounting Policies

The financial statements are prepared using Canadian generally accepted accounting principles for not-for-profit organizations. The following accounting policies are considered significant:

a) Revenue

The Fund follows the deferral method of accounting for contributions. Any restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The transfer from the General Revenue Fund is recognized when certain hunting and fishing licences are issued.

Field permit and lease revenue is recognized when the permit is issued or the lease payment is due.

b) Grants

Grant expenses are recognized when approved and the recipient has met eligibility criteria.

Grant revenues are recognized when received from the General Revenue Fund.

c) Capital Assets

Purchased capital assets are recorded at cost. Amortization commences in the year of acquisition and is provided on a straight-line basis over the asset's estimated useful life. Annual rates for equipment are from 5% to 33%.

Donated land is recorded at fair value at the date of contribution as a direct increase in net assets.

The Fund made agreements with other conservation agencies for the joint acquisition of land for wildlife related purposes. Land jointly owned is recorded at cost at the date title is transferred to both parties.

3. Due From General Revenue Fund

The Fund's money is on deposit with the General Revenue Fund (GRF) and in a bank account included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Fund's earned interest is calculated and paid by the GRF on a quarterly basis to

the Fund using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for 2004 is 2.79% (2003 – 2.62%).

4. Revenue - General Revenue Fund

The annual transfer from the General Revenue Fund has been set by Order in Council 526/95 as an amount equivalent to 30% of certain hunting and fishing licence fees collected by the Department of Environment. A receivable is recorded for the portion of the licences issued before the year-end for which fees have not yet been received. Included in the accounts receivable at March 31, 2004 is $377,365 (2003 - $84,322) receivable from the General Revenue Fund.

The Fund also received a grant of $340,000 from the General Revenue Fund as part of a three year plan to offset additional salary costs the Fund incurred in the previous year.

5. Capital Assets

	2004			2003
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 14,511,888	$ ---	$ 14,511,888	$ 14,427,096
Land – joint ownership	2,454,916	---	2,454,916	2,294,516
Equipment	532,050	465,059	66,991	75,504
	$ 17,498,854	$ 465,059	$ 17,033,795	$ 16,797,116

6. Internally Restricted Net Assets - Municipal Habitat Conservation

Internally restricted net assets were established to compensate rural municipalities for taxes foregone on lands acquired by the Fund for wildlife habitat conservation purposes. The interest earned on this amount is reported in the unrestricted fund and is used to assist in paying rural municipalities grants in lieu of taxes on Fund lands located within their boundaries.

7. Commitments

The Fund is committed to carry out certain wildlife habitat and fish enhancement projects next year totalling $171,000.

8. Financial Instruments

The Fund's financial instruments include accounts receivable and accounts payable. The fair value of these instruments approximates their carrying value due to the immediate or short-term maturity of these financial instruments.

The Fund is exposed to credit risk from the potential default of customers. However, the majority of the Fund's receivables are from other government agencies and reputable long-term corporate clients. Therefore, the credit risk is minimal.

9. Budget

The Budget for the Fund is included with the Department of Environment's budget submission to Treasury Board. Treasury Board approves the Fund's budget annually.

10. Related Party Transactions

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as departments, corporations, boards, and commissions under the common control of the Government of Saskatchewan. Also, the Fund is related to non-Crown enterprises that the Government jointly owns or significantly influences.

Routine operating transactions with related parties are recorded at agreed upon rates and are settled on normal trade terms. These transactions are as follows:

	2004	2003
Expenses:		
Contractual services	$ 65,876	$ 19,010
Supplies and materials	3,438	2,191
Grants	878,000	834,736
Central Vehicle Agency rentals	82,561	223,259
Utilities	71,748	70,543
Telephone	11,389	10,044

Included in accounts payable is $271,278 (2003 - $296,485) owing to related parties.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes.

The Fund pays provincial sales tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

In accordance with established government policy, the Fund has not been charged with certain costs including occupancy, financing, and certain administrative costs. These costs have been absorbed by various departmental appropriations and, therefore, no provision for such costs is reflected in these financial statements.

11. Conservation Easements

The Fund made agreements with other conservation agencies for the purpose of securing wildlife habitat through the purchase of conservation easements. Under these agreements, the Fund contributes a portion of the costs to acquire these easements upon the registration of the easement with the relevant land titles office. The conservation agencies made separate agreements with landowners for the purchase of these easements.

The Fund is not party to the agreements with the landowners for these conservation easements. Accordingly, the Fund has not recorded these costs as capital assets. The Fund's share of these costs for the year amounting to $364,999 (2003 – $137,922) have been expensed in the Statement of Operations.

Schedule 1

FISH AND WILDLIFE DEVELOPMENT FUND
SCHEDULE OF EXPENSES
For the Year Ended March 31

	2004				2003
	Budget	Fish Enhancement Projects	Wildlife Habitat Projects	Total	Total
Salaries	$ 1,021,000	$ 570,979	$ 602,994	$ 1,173,973	$ 2,019,305
Contractual services	220,000	107,668	406,404	514,072	527,044
Supplies and materials	175,000	74,731	56,593	131,324	147,909
Grants (Note 11)	1,251,000	621,000	688,551	1,309,551	1,047,278
Central Vehicle Agency rentals	100,000	49,799	32,762	82,561	223,259
Travel expenses	60,000	22,491	33,366	55,857	95,277
Utilities	70,000	71,748	---	71,748	70,543
Amortization	22,000	17,606	1,001	18,607	23,028
Telephone	7,000	6,480	5,968	12,448	10,123
Communications	26,000	184	843	1,027	1,448
	$ 2,952,000	$ 1,542,686	$ 1,828,482	$ 3,371,168	$ 4,165,214